

MAYOR'S TASK FORCE FOR THE FUTURE
TOURISM SUB-COMMITTEE

Minutes of the January 19, 2010 meeting

3:00 p.m.

Place: The Sea Pines Resort Welcome Center Conference Room

Members Present: Steve Birdwell, Chairman; Mark Baker; Marc Frey; and J.R. Richardson, Jr.

Staff Present: Shawn Colin, *Senior Planner, Community Development Dept.*

I. CALL TO ORDER

Chairman Steve Birdwell called the meeting to order at 3:00 p.m.

II. FREEDOM OF INFORMATION ACT COMPLIANCE

Public notification of this meeting was published, posted and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

III. NEW BUSINESS

- **Review Purpose of the Tourism Sub-Committee**

Steve Birdwell reviewed the purpose of the Tourism Sub-Committee: Identify the requirements and essential components to ensure Hilton Head Island is perceived as a premier destination.

- **SWOT Analysis Discussion**

Mr. Frey distributed a draft copy of his initial thoughts as a basis for discussion. (Copy attached.) A roundtable discussion was held.

- **Determine Process for Completing Sub-Committee Assignment**

1. Coordinate with the Retirement Sub-Committee to find out how retirees feel about tourism. Mr. Richardson will submit approximately three to five questions to the Retirement Sub-Committee for their consideration.
2. Make a list of local leaders to participate in the in the Tourism Sub-Committee's workshop which purpose is to identify challenges and opportunities and also discuss the required elements for a premier destination.

- **Review Next Steps**

1. Send out a letter to local business and civic leaders inviting them to participate in the workshop. An agenda will be prepared in advance to encourage ideas, solutions and wish lists. The date of this workshop was set for Wednesday, February 3, at 3:00 p.m. at a central island location (TBD).

2. The Tourism Sub-Committee agreed it is imperative for both the Mayor's Task Force and the Tourism Sub-Committee to obtain a copy of the report completed by Peter Yeswich, Chairman of Y-Partnership or an executive summary in order to be prepared for any meetings with Mr. Yeswich, which should be scheduled on a day when he is in town on behalf of the Chamber.

IV. ADJOURNAMENT

Mr. Birdwell adjourned the meeting at 4:50 p.m. The next Tourism Sub-Committee meeting is scheduled for Wednesday, January 27, at 11:00 a.m. at the Sea Pines Resort Welcome Center in the Executive Conference Room.

DRAFT

(Sources: Town comprehensive plan, Chamber data, the term economic impact has not been fully defined, the expenditure per visitor has not been fully verified)

What tourism means to the community:

1. It all starts with the visitors, visitors are our future neighbors.
2. Tourism is the largest single economic driver to our local economy.

(1.5 bio annual economic impact, 60% of jobs tourism related, provides 10,000 jobs, 20mio visitor accommodations tax collected last year, 47mio sales tax, 2.5mio accommodations tax paid to local community groups and Town Government last year)
3. Without a healthy tourism industry many of the amenities our full and part time residents are able to enjoy would not be feasible (golf courses, water sports, Arts Center, restaurants, shops, marinas, beach patrol, beach nourishment , parks, bike paths to name only a few).
4. The quality and quantity of tourists affects all aspects of our local economy and local not for profit organizations and affect our property values.

The current state:

5. Tourism has been in decline for the last 13years in HH, which is not a fluke due to outside circumstances but a trend. (2.53 million in 1998 down to 1.87million -660,000 or 26% less visitors- which represents a loss of 660 million in economic impact to the local economy assuming an average of \$1,000 of expenditure per visitor).
(Please note that the Chamber is using 9.11 and the 2009 recession as the culprit, I do however not share this view entirely because the decline started several years before 2001 and has continued in a downward slope, the recent recession has cause a drop from 2million to 1.8mio a similar impact 9.11 had from 2.4mio to 2.2mio. With other words I suspect that there are other long-term factors in play that cause this downward slope).
6. HHI is mainly known as a beach and golf destination.
7. Our facilities are grossly underutilized and heavily depend on April (Heritage) and 10 weeks of summer vacations.
(Jan 33%, Feb 41%, Mar 50%, Apr 66%, May 59%, Jun 70%, Jul 78%, Aug 62%, Sept 55%, Oct 54%, Nov 39% all 2009, Dec 30% (using 2008 figure since 2009 is not available)).
8. HHI tourism marketing budget is woefully underfunded.

9. The available dollars are not managed properly.
10. HHI has missed out on becoming the destination of choice for large drive-in markets (Atlanta, Charlotte etc.).
11. HHI is not an International destination.
12. Many of the accommodations facilities are not state of the art.
13. HHI is in danger of losing the Heritage PGA event.

What change means:

14. Tourism is the one economic driver where we can directly measure an increase or decrease in the economic outcome (Example: 2million tourists spending either \$100 more or less during their stay, has an economic impact of \$200million on the local economy. Attracting or losing 100,000 visitors during a 12 month period equals \$100million in economic impact.)
15. Tourism is not only the largest economic driver but the one that can be most effectively and quickly changed.
16. An increase in tourism dollars spent will have a positive trickledown effect on all other aspects of the local economy.
17. An investment in the tourism industry is likely to have the fastest pay-back compared to any other investments the town can make.

Tourism in the future:

18. People will still want to take vacations and experience something real despite that the digital world is now everywhere or just because of that. With that said, while some people want to get away and just relax others will want something more, they want to combine an “experience” or discovery as part of their vacation, they will want to learn something or they will want to be productive while they are vacationing.

Vision:

19. HHI needs to stand out as a “dream destination”, as a place where everything is still perfect and stands in stark contrast to the reality from which the visitors are coming from. It should feel like a little perfect world, the dream Island untouched by what the real world faces, natural, sustainable and where technology has been integrated without being overwhelming. HHI needs to be viewed as one of the top 3 resort destinations on the East Coast and differentiate itself in character from anything else, more integrated and friendlier than Myrtle Beach, more interesting than Kiawah or Amelia Island, more natural than Naples etc.

Possible solutions/ideas:

20. Recognition among government, industry leaders and the community at large that tourism is THE vital economic driver that will benefit everybody and influence our property values.
21. Devise a plan to become a true world class destination.
22. Demonstrate this passion and desire in everything we plan, legislate, build and live.
23. Find funding for a proper marketing budget.
24. Set specific target and execute an effective marketing plan with a demonstrated ROI.
25. Decide who will be involved in this process and who will execute.
26. Realize that relaying on beach and golf is a recipe for decline.
27. Use the idea of government/private partnership to support specific ideas and projects that fit within the overall strategy.
28. Use the existing land owned by the town within a master plan more effectively.
29. Create specific "theme/experience" areas.
30. Support the organization of many events that will broaden the tourism spectrum and make us a viable year round destination. (Note as an example: The ATAC funding request by the Hospitality Association to continue to build the Food & Wine Festival to world class event that attracts national attention and draws visitors has been declined)
31. Build a "free wireless everywhere" Island.
32. Support the building of additional attractions/infrastructure that fit within the overall strategy.

Our process: